

MODOC COUNTY ECONOMIC FORECAST

The Modoc County economy is contracting. In 2017 it lost 70 jobs, reversing almost all of the gains from the preceding year. By contrast, the statewide economy created jobs at a rate of 2.0 percent.

In 2017 approximately 30 jobs were lost in the goods-producing industries, which include construction, manufacturing, utilities, and natural resource extraction.

Another 30 jobs were lost in trade, transportation, and utilities, and the agriculture sector lost 20 jobs.

The Modoc County economy is highly reliant on the government sector. Government agencies employed 1,250 workers in 2017, accounting for half of the total job market. Most of these jobs are in public schools and municipal agencies, although some are in state and federal agencies located within Modoc County. In 2017 the government sector generated approximately 10 new jobs in the county.

The unemployment rate deteriorated slightly last year, rising from 7.9 percent in 2016 to 8.1 percent in 2017. The California unemployment rate improved substantially during the same time, and Modoc County was one of the only regions with a rising unemployment rate.

The local unemployment rate is expected to improve in 2018 and 2019, but is already near its lowest sustainable level. Because Modoc County has a high proportion of public school employees (who are typically unemployed during the summer months) and agricultural workers (who are usually unemployed in the winter), its unemployment rate generally goes not fall as low as regions with fewer seasonal workers.

Modoc County's population has declined for most of the last decade. Net migration has been virtually flat, with equal numbers of people moving into the county as moving out, but deaths have outnumbered births, causing the population to shrink.

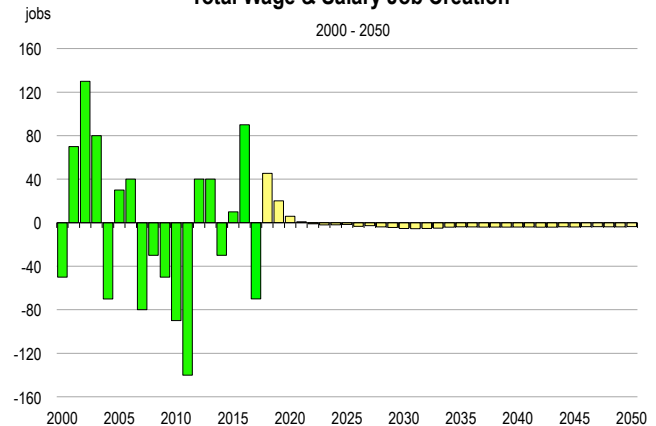
Due to a slowly-growing economy and a shrinking population, homebuilding activity has been minimal. Between 2012 and 2017, an average of only 6 homes were built each year. The same is true for commercial and industrial construction. Over the last five years, only \$1.1 million has been invested into non-residential structures annually, with the majority going to renovations of existing buildings.

Population decline is expected to continue in Modoc County, placing the economy at risk of long-term stagnation. Stagnant economies are often characterized by subpar job creation, slow income growth, and insufficient public revenues, preventing living conditions from improving and making it difficult for local governments to provide adequate public services.

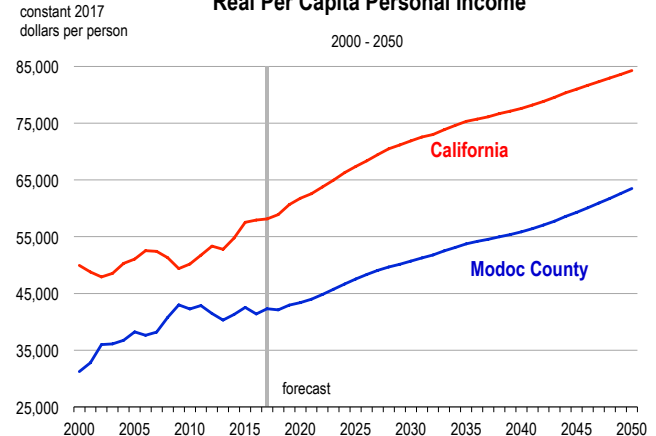
FORECAST HIGHLIGHTS

- Job growth of 1.8 percent is expected in 2018. Between 2018 and 2023, the annual growth rate will average 0.2 percent.

Total Wage & Salary Job Creation



Real Per Capita Personal Income

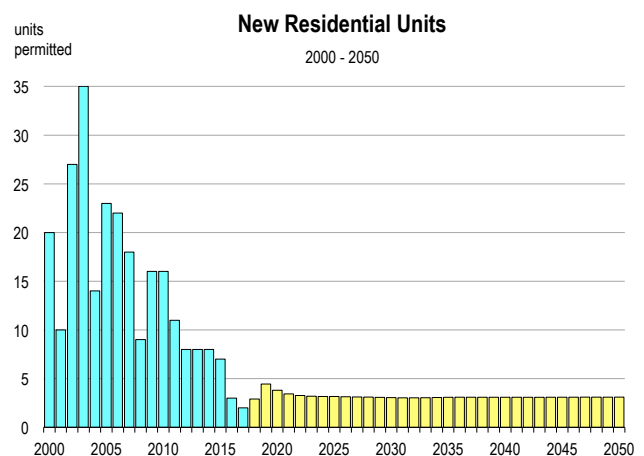
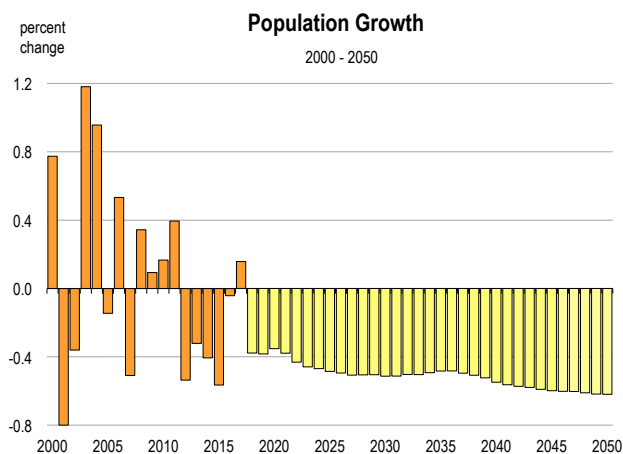


- Between 2018 and 2023, job creation will be concentrated in healthcare and government. Combined, these sectors will account for virtually all net job growth in the county. A small number of jobs could also be created in the goods-producing and agriculture sectors.
- Average salaries are below the California average, and will remain so over the foreseeable future. In Modoc County, inflation-adjusted salaries are expected to rise by 1.1 percent per year from 2018 to 2023, which will be slower than statewide growth.
- An average of 4 new homes will be built each year between 2018 and 2023. Virtually all of these will be single-family homes, and very few (potentially none) will be apartments.
- The population is expected to decline by 0.4 percent per year from 2018 to 2023, as net migration turns negative and deaths continue to outnumber births.

Modoc County Economic Forecast

2010-2017 History, 2018-2050 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (thousands)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (millions)	Personal Income (millions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (millions)	Unemploy- ment Rate (percent)
2010	9,648	-2	13.6	4.1	16	\$79	\$352	\$42,246	1.3	132.3	28.8	15.2
2011	9,686	41	13.3	4.1	11	\$91	\$368	\$42,852	2.7	131.5	19.6	16.0
2012	9,634	0	12.9	4.1	8	\$102	\$362	\$41,450	2.7	128.1	14.1	14.4
2013	9,603	0	13.1	4.1	8	\$95	\$356	\$40,309	2.3	134.2	21.9	12.3
2014	9,564	0	13.2	4.1	8	\$92	\$370	\$41,287	2.8	133.1	23.1	10.3
2015	9,510	0	13.4	4.1	7	\$93	\$384	\$42,530	2.6	134.9	23.5	8.6
2016	9,506	0	13.6	4.1	3	\$94	\$382	\$41,402	3.1	134.8	25.7	7.9
2017	9,521	0	13.5	4.1	2	\$95	\$403	\$42,296	3.2	135.8	17.9	8.1
2018	9,485	-7	13.6	4.1	3	\$99	\$413	\$42,091	3.7	136.2	21.9	7.4
2019	9,449	-7	13.7	4.1	4	\$101	\$429	\$42,937	3.1	136.6	23.3	7.1
2020	9,415	-5	13.7	4.1	4	\$104	\$447	\$43,392	4.1	137.0	22.8	7.4
2021	9,380	-8	13.6	4.1	3	\$106	\$464	\$43,968	3.6	137.3	23.0	7.6
2022	9,339	-11	13.6	4.1	3	\$109	\$484	\$44,824	3.5	137.7	23.2	7.6
2023	9,297	-13	13.6	4.1	3	\$111	\$505	\$45,747	3.4	138.0	23.7	7.8
2024	9,253	-14	13.6	4.1	3	\$114	\$525	\$46,668	3.3	138.3	24.1	8.0
2025	9,208	-14	13.6	4.1	3	\$116	\$545	\$47,554	3.1	138.7	24.6	8.2
2026	9,162	-15	13.6	4.1	3	\$118	\$563	\$48,325	3.1	139.0	25.0	8.3
2027	9,116	-15	13.5	4.1	3	\$120	\$581	\$49,052	3.0	139.3	25.4	8.4
2028	9,070	-15	13.5	4.1	3	\$122	\$598	\$49,645	3.3	139.7	25.9	8.5
2029	9,024	-15	13.5	4.1	3	\$125	\$615	\$50,145	3.1	140.0	26.3	8.5
2030	8,978	-15	13.5	4.1	3	\$127	\$632	\$50,688	3.0	140.3	26.7	8.6
2031	8,932	-15	13.5	4.1	3	\$129	\$649	\$51,276	2.9	140.7	27.2	8.6
2032	8,887	-15	13.5	4.1	3	\$132	\$667	\$51,772	3.1	141.0	27.7	8.6
2033	8,842	-15	13.5	4.1	3	\$134	\$686	\$52,479	2.7	141.4	28.2	8.6
2034	8,799	-15	13.5	4.1	3	\$136	\$705	\$53,110	2.9	141.7	28.7	8.6
2035	8,756	-15	13.5	4.1	3	\$139	\$726	\$53,737	3.0	142.1	29.3	8.7
2036	8,714	-15	13.5	4.1	3	\$142	\$747	\$54,157	3.4	142.5	29.8	8.7
2037	8,671	-15	13.5	4.1	3	\$145	\$768	\$54,529	3.5	142.8	30.3	8.7
2038	8,627	-15	13.5	4.1	3	\$148	\$790	\$54,987	3.3	143.2	30.9	8.7
2039	8,581	-15	13.4	4.1	3	\$152	\$813	\$55,371	3.5	143.6	31.5	8.7
2040	8,534	-15	13.4	4.1	3	\$155	\$837	\$55,841	3.4	144.0	32.0	8.7
2041	8,486	-15	13.4	4.1	3	\$158	\$861	\$56,422	3.2	144.4	32.6	8.7
2042	8,438	-15	13.4	4.1	3	\$161	\$885	\$57,056	3.1	144.8	33.2	8.7
2043	8,389	-15	13.4	4.1	3	\$164	\$910	\$57,749	3.0	145.3	33.8	8.7
2044	8,339	-15	13.4	4.1	3	\$167	\$936	\$58,560	2.8	145.7	34.5	8.7
2045	8,290	-15	13.4	4.1	3	\$170	\$963	\$59,301	3.0	146.2	35.1	8.7
2046	8,240	-15	13.4	4.1	3	\$173	\$991	\$60,107	2.9	146.6	35.8	8.7
2047	8,190	-15	13.4	4.1	3	\$176	\$1,019	\$60,919	2.9	147.1	36.4	8.7
2048	8,140	-15	13.4	4.1	3	\$180	\$1,048	\$61,750	2.9	147.5	37.1	8.7
2049	8,090	-15	13.4	4.1	3	\$183	\$1,078	\$62,603	2.9	148.0	37.8	8.7
2050	8,040	-14	13.4	4.1	3	\$186	\$1,110	\$63,505	2.9	148.5	38.5	8.7

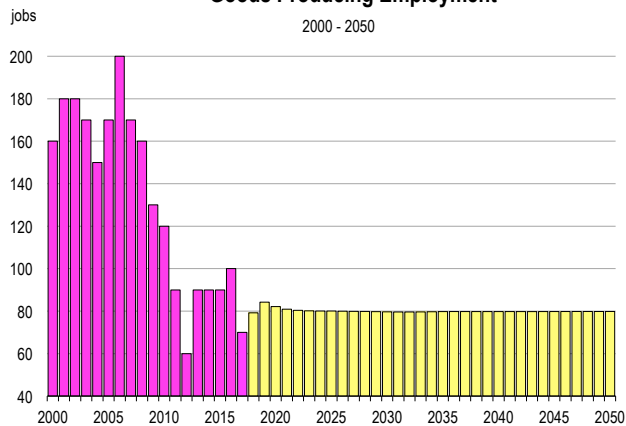


Modoc County Employment Forecast

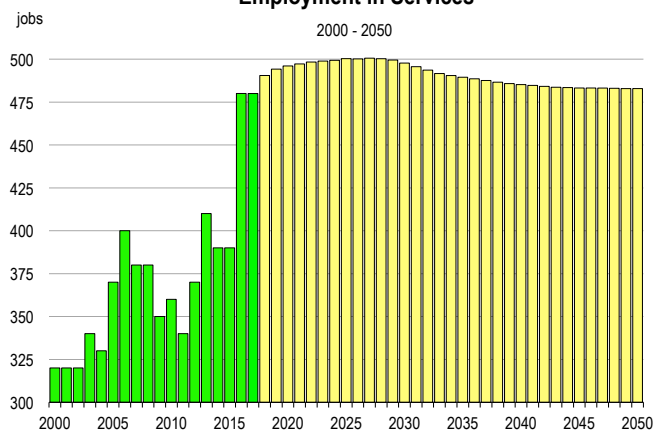
2010-2017 History, 2018-2050 Forecast

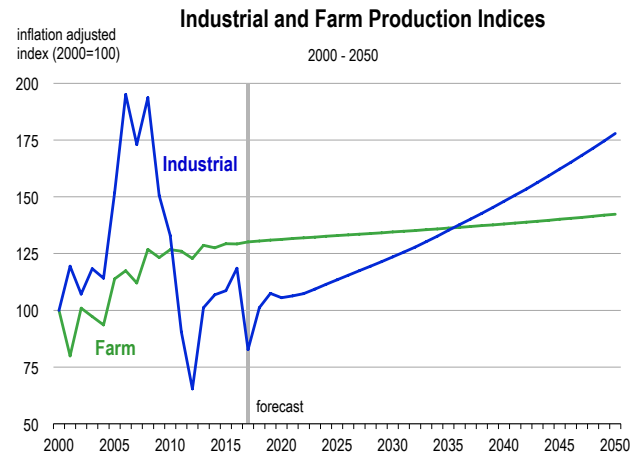
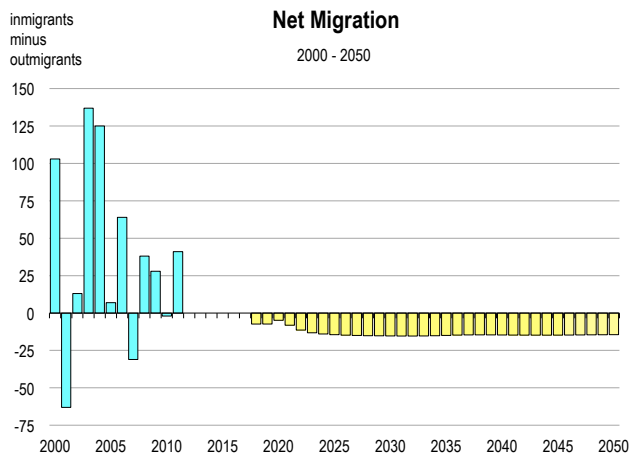
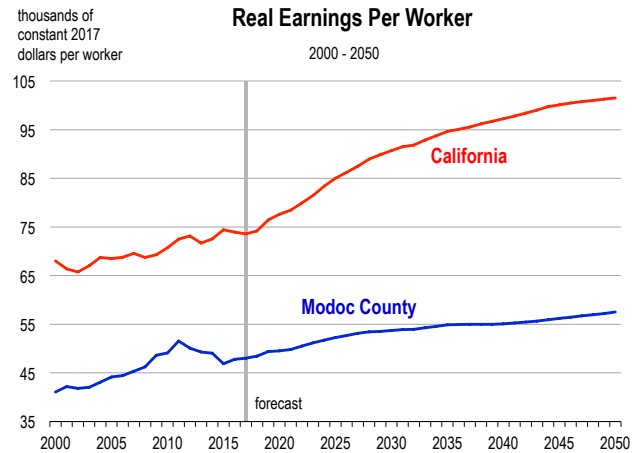
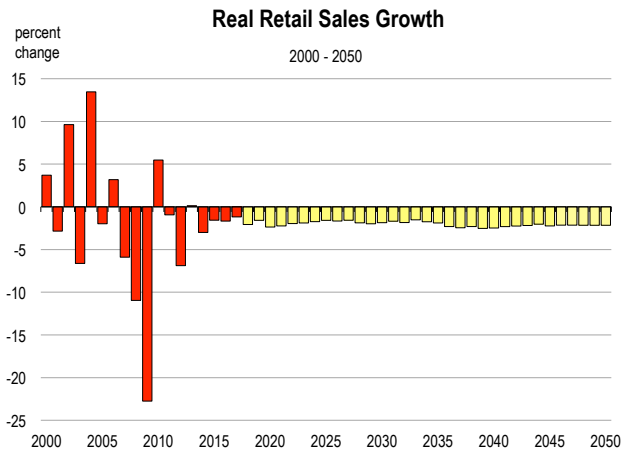
	Total Wage & Salary	Farm	Goods Producing	Trade, Transportation, and Utilities	Health & Education	Leisure	Government
	-----employment (thousands of jobs)-----						
2010	2.550	0.320	0.120	0.410	0.210	0.150	1.340
2011	2.410	0.330	0.090	0.380	0.190	0.150	1.270
2012	2.450	0.360	0.060	0.420	0.200	0.170	1.240
2013	2.490	0.390	0.090	0.400	0.250	0.160	1.200
2014	2.460	0.370	0.090	0.380	0.240	0.150	1.230
2015	2.470	0.390	0.090	0.370	0.250	0.140	1.230
2016	2.560	0.390	0.100	0.350	0.320	0.160	1.240
2017	2.490	0.370	0.070	0.320	0.320	0.160	1.250
2018	2.535	0.384	0.079	0.318	0.331	0.160	1.263
2019	2.555	0.385	0.084	0.317	0.335	0.160	1.275
2020	2.561	0.385	0.082	0.316	0.336	0.160	1.282
2021	2.562	0.386	0.081	0.314	0.338	0.160	1.284
2022	2.561	0.386	0.080	0.313	0.339	0.160	1.284
2023	2.559	0.386	0.080	0.311	0.339	0.159	1.282
2024	2.557	0.387	0.080	0.310	0.340	0.159	1.281
2025	2.556	0.387	0.080	0.309	0.341	0.159	1.279
2026	2.552	0.387	0.080	0.308	0.341	0.159	1.277
2027	2.550	0.388	0.080	0.307	0.341	0.159	1.274
2028	2.546	0.388	0.080	0.306	0.341	0.159	1.271
2029	2.541	0.388	0.080	0.305	0.340	0.159	1.269
2030	2.536	0.389	0.080	0.304	0.338	0.159	1.266
2031	2.531	0.389	0.080	0.303	0.336	0.159	1.263
2032	2.525	0.390	0.080	0.302	0.334	0.159	1.261
2033	2.520	0.390	0.080	0.301	0.332	0.159	1.258
2034	2.516	0.390	0.080	0.300	0.331	0.159	1.256
2035	2.512	0.391	0.080	0.299	0.330	0.159	1.254
2036	2.509	0.391	0.080	0.298	0.329	0.159	1.251
2037	2.505	0.392	0.080	0.296	0.328	0.159	1.249
2038	2.501	0.392	0.080	0.295	0.327	0.159	1.247
2039	2.497	0.392	0.080	0.294	0.326	0.159	1.245
2040	2.493	0.393	0.080	0.293	0.326	0.159	1.242
2041	2.489	0.393	0.080	0.292	0.325	0.159	1.239
2042	2.485	0.394	0.080	0.291	0.325	0.159	1.236
2043	2.480	0.394	0.080	0.290	0.324	0.159	1.233
2044	2.477	0.395	0.080	0.289	0.324	0.159	1.230
2045	2.473	0.395	0.080	0.288	0.324	0.159	1.227
2046	2.469	0.396	0.080	0.287	0.324	0.159	1.224
2047	2.466	0.396	0.080	0.286	0.324	0.159	1.220
2048	2.462	0.397	0.080	0.285	0.324	0.159	1.217
2049	2.458	0.397	0.080	0.284	0.323	0.159	1.214
2050	2.454	0.398	0.080	0.283	0.324	0.159	1.211

Goods Producing Employment



Employment in Services





County Economic and Demographic Indicators

Projected Economic Growth (2018-2023)

Expected retail sales growth:	-9.7%
Expected job growth:	0.9%
Fastest growing jobs sector:	Healthcare
Expected personal income growth:	6.5%

Expected population growth:	-2.0%
Net migration to account for:	N/A
Expected growth in number of vehicles:	0%

Demographics (2018)

Unemployment rate (April 2018):	7.3%
County rank* in California (58 counties):	48th
Working age (16-64) population:	58.4%

Population with B.A. degree or higher:	18.1%
Median home selling price (2017):	\$74,500
Median household income:	\$38,270

Quality of Life

Violent crime rate (2016):	400 per 100,000 persons
County rank* in California (58 counties):	31st
Average commute time to work (2018):	17 minutes

High School drop out rate (2017):	10.5%
Households at/below poverty line (2018):	8.9%

* The county ranked 1st corresponds to the lowest rate in California